

THE FY2004 BUDGET AT A GLANCE

BUDGET OVERVIEW:

- The proposed FY2004 General Fund budget is 1,796,840,900, which represents a \$71 million increase from FY2003.
- The increase is primarily attributable to an additional 6.4% funding increase for public schools.
- The County six-year Capital Improvement Program (CIP) for FY2004 to FY 2009 totals \$490.6 million, with special emphasis on school construction.
- The County will meet its Charter-mandated requirement to maintain a contingency reserve equal to 5% of the General Fund budget. The proposed budget also maintains a 2% operating reserve.

GENERAL GOVERNMENT

Central Services

- The Fleet Management Fund continues to be administered by the Office of Central Services. Revenue driven by maintenance fees charged to County Departments, and use of fund balance will allow OCS to move forward with their vehicle replacement plan. \$1 million is budgeted for vehicle replacement. These funds will be used to replace about 75 administrative vehicles.

Finance

- The Office of Finance continues to arrange financing for major construction projects by coordinating bond sales and other financial transactions.

Personnel & Labor Relations

- In FY2004, the Office of Personnel and Labor Relations will implement negotiated collective bargaining agreements for the County's unionized workforce.
- To better serve the diversity of the County, the Office of Personnel and Labor Relations is looking at possibility of providing recruitment materials in alternative languages.

Information Technology & Communications

- The County plans to expand a pilot project during which the charge back structure, used to provide financial support to the Information Technology Internal Service Fund, will be reviewed and possibly restructured for greater accuracy. It is hoped that potential changes will result in decreased financial reliance by the Internal Service Fund on the General Fund in the coming years.
- Consistent with a continual effort to remain current with modern technological advances, OITC will complete the enterprise-wide implementation of Windows 2000 and Windows NT during FY2004. Furthermore, concurrent initiatives are planned to increase the effectiveness and efficiency of County operations. These include an increase in the replacement of aging inventory and limited upgrades of systems, applications, programs or infrastructure.

- As part of an ongoing effort to maintain and update the County's inventory, the Technology Division will increase its replenishment of computer and peripheral equipment. Eventually, the replacement of stock will decrease the County's reliance on aging stock and technologies.

Management & Budget

- In FY2004 a new grants management unit will be created in the Office of Management and Budget. The unit's responsibilities include working with agencies identifying possible grants, providing technical assistance on grant submissions to agencies seeking assistance, serving as a point of contact to grantors with questions or concerns, working with agencies and the Office of Finance to maximize grant expenditures and assisting agencies in meeting reporting deadlines to grantors.

Board of Elections

- The Board of Elections will implement new election processes as they relate to the Help America Vote Act of 2002. The Board will continue with its public outreach effort to educate the voters of Prince George's County on the touch screen voting machines.

Office of Community Relations

- The Office of Community Relations, working with the Office of Information Technology and Communications, will work to improve the current Communications Tracking System. This system keeps track of citizen correspondence and ensures that timely and effective responses are made to citizen complaints and concerns.
- Within the Office, a new Division of Multicultural Affairs will extend community services to residents of all ethnic and cultural backgrounds.

CRIMINAL/CIVIL JUSTICE

Department of Corrections

- Phase II of the Correctional Center expansion program is expected to begin in the Spring of 2003. This will include a new administrative building, electronic security system and renovating existing office space.
- The Department will be implementing a Correctional Inmate Management System that will address processing, pre-trial screening, inmate classification, supervised release and other areas of inmate management.

Circuit Court

- Due to the diversion of the Court's trial courtrooms into two locations, the process of assigning cases will be modified. These modifications are being monitored to assess losses in efficiency and the impact upon the public.
- The State has assumed the funding for Law Clerks as of January 1, 2003, for Masters hired after July 1, 2002 and for Jury Fees. Therefore, these items have been deleted from the FY2004 budget.

Office of the State's Attorney

- In FY2004 the State Attorney's Office, in cooperation several County agencies will continue the implementation of a comprehensive case screening and diversion program for District Court cases. The goal is to reduce the time between arrest, first hearing dates, and case resolutions from 45 days to approximately one

week. New cases are referred for mediation, counseling, mental health and substance abuse referrals the Health Department, community service and or dismissal.

- The State's Attorney's Office has targeted the prosecution of municipal infractions as a priority next fiscal year. Efforts will be directed towards a collaboration with the County's incorporated and unincorporated cities and towns in order to maintain or elevate the quality of life for residents of Prince George's County.
- The State's Attorney's Office has established a Latino Community Affairs Office to provide a vital link with the Latino community in Prince George's County. In addition to outreach initiatives, the Office will report on matters regarding community crime prevention programs with particular focus on the Latino population.

Sheriff

- Staffing reductions include 3 vacant civilian positions and a Court Security Officer vacancy held over from the FY2003 conversion of CSOs to Deputy Sheriffs. A portion of the savings was used to provide salary upgrades in other personnel areas.
- The service of domestic violence orders has increased with the passage of a law enabling District Court Commissioners to issue Interim Protective Orders 24 hours a day seven days a week.

PUBLIC WORKS AND ENVIRONMENTAL RESOURCES

Public Works and Transportation

- The Office of Engineering will finalize and issue a new manual on the "General Specifications and Standards for Roadways and Bridges in Prince George's County", which will be the first major revision of the County Specifications and Standards for County road and bridge construction since 1977.
- An enhancement of over \$300,000 has been provided to increase litter control and street sweeping efforts as part of the County's livable community's initiatives.
- The Office of Transportation will expand Call-A-Bus and Call-A-Cab Programs to include more routes and times the services are available.
- The Office of Transportation will complete implementation of *TheBus/Call-A-Bus* Automated Vehicle Locator and customer information systems in order to better direct and service customers dependent upon public transportation.

Environmental Resources

- An additional housing code inspection area will be created inside the beltway to further the livable community's initiative. The new inspection area inside the beltway is designed to increase the quality of life for residence of inner-beltway communities.
- Additional inspectors will be assigned to inspect commercial buildings and vacant commercial properties and determine appropriate actions to be taken on the property.
- Through the National Pollutant Discharge Elimination Stormwater Program, DER will work in partnership with County municipalities to enhance existing good housekeeping programs and increase existing inspection efforts for illicit connections.

PUBLIC SAFETY

Police Department

- The Department's authorized sworn strength will remain at 1,420 in FY2004. Due to a projected attrition rate of seven per month, Police recruit classes are scheduled in November 2003 and May 2004 to offset the loss of officers through retirement and resignation.
- A Police Reform Office has been established to review the operations of the Department and make recommendations on methods to improve community policing and shift staffing to better serve the citizens.

Fire/EMS Department

- The Department will continue in their efforts to have highly trained personnel ready and able to deal with any challenges regarding Homeland Security. There are also plans to implement cross-training strategies, thereby increasing the Department's ability to respond to terrorist emergencies.

EDUCATION AND LIBRARY

Board of Education

- The proposed FY2004 budget for the Board of Education is just over \$1.17 billion. This is an increase in funding of \$70.4 million, or 6.4% above the Board's FY2003 budget.
- The County's contribution to the Board of Education increases by \$24.3 million, or 2.2% in FY2004. This increase includes \$15 million projected to be generated by the new State-mandated 8% telephone tax.
- Outside aid increased by \$46.2 million, or 6.9% in FY2004. Of this increase \$875,000 reflected new Federal aid, \$43.7 million represents state aid increases and \$1.6 million is generated by the Board through its tuition and fees. State revenues for FY2004 generally reflect amounts that result from formulae and funding provisions existing in State law. This aid includes funding under the formulas for the Foundation Program, State Compensatory Education, Student Transportation Aid and Students with Disabilities aid. Most of the State increase is attributable to changes in State law made under the Bridge to Excellence in Public Schools Act of 2002 (SB 856-2002).
- Based on the current schedule, the County will open one elementary school in August 2003 (Samuel P. Massie Elementary) and two schools in January 2004 (Colmar Manor Elementary and Oxon Hill Area Elementary). This raises to fifteen the number of schools that have been built by the County school system in the last five years. Eleven of the thirteen schools required under the Memorandum of Understanding will be completed by the close of FY2004.
- Funds are set aside for cost of living adjustments for all school employees.
- \$13.1 million in funding is provided for enhancements to the staffing formula for grades 4-6, bringing the student/teacher ratio down in those grades to 25 to 1. This enhancement to the staffing formula is estimated to result in the hiring of 229 additional full-time employees.
- \$3 million in funding is provided for the tutoring of high school students in an effort to improve performance on the State's standardized assessment test.

Memorial Library System

- The new Accokeek Branch is scheduled to open during FY2004 as a full-service branch library with hours comparable to the Upper Marlboro Branch.
- The newly enlarged Sojourner Truth Room will focus not only on its unique collection of materials, but also on programs, seminars, lectures and exhibits that highlight African-American culture and history.
- The Library will continue a three-year plan to improve services to the foreign-born residents of the County. Strategies will include purchasing additional bilingual materials, improving directional signs in the branches, providing additional staff training and increasing the efforts to promote existing collections and services.

Community College

- The Community College will continue to increase enrollment in college classes in all areas of the County by using on-line courses, the Laurel College Center, the Metro Center, and Andrews Air Force Base.

HUMAN SERVICES

Housing and Community Development

- The Department of Housing and Community Development (DHCD) will continue to provide financial and technical assistance to Community Housing Development Organizations (CHDOs) for the acquisition and/or rehabilitation of rental housing, acquisition and/or habilitation of homebuyer properties, new construction of rental housing, and new construction of homebuyer properties. DHCD will continue to provide direct financial assistance to purchasers of HOME-assisted housing sponsored or developed by a CHDO with HOME funds.
- The Housing Authority will continue to administer the Single Family Mortgage Purchase Program. Revenue bonds in the amount of \$25 million were sold in FY 2002 and will be used to make long-term mortgage loans, to purchase mortgages to finance housing, housing rehabilitation or housing project (s), and to pay or retire bonds previously issued by the Housing Authority.
- The Housing Authority will continue to administer the Down Payment Closing Cost Assistance Program, which seeks to increase homeownership opportunities in the County. In conjunction with the Single Family Mortgage Purchase Program, this program will provide a maximum of \$20,000 in down payment and closing cost assistance to homebuyers purchasing a home in a targeted area of the County.

Health Department

- The Department's Women's Wellness Center will be fully operational providing an array of preventive health services including stress, anger management, self-esteem, parenting, family planning and financial planning workshops and health screenings. In addition, the Department will initiate the second phase of its media campaign to reduce infant mortality and low birth weight. This year's campaign will be focused on educating men and women on the importance of abstinence and responsible sexual activity.
- The Department will expand its network of private substance abuse treatment providers to include at least one in-county provider of non-hospital detoxification services. This expansion will allow for an increase in the number of county residents able to access detoxification services.

INDEPENDENT AUTHORITIES

Revenue and Industrial Development Authority

- The Revenue Authority is working with public and private entities to develop the Capital Centre complex into a regional shopping center.
- The Industrial Development Authority will expend Bond funds for the expansion of the Marbury Wing of the Upper Marlboro Court House.

Redevelopment Authority

- The Redevelopment Authority (RA) will continue to redevelop the Suitland Manor Project by preparing and implementing a demolition plan and securing funding for land acquisition and relocation. In addition, the RA will continue to acquire land associated with the Shadyside Elementary School site. After all properties are acquired, the RA will transfer ownership of the properties to the Prince George's County Board of Education.
- The Redevelopment Authority will continue to redevelop three buildings included in the Gateway Arts and Entertainment District. The three sites, located in Mount Rainier, Brentwood, and Hyattsville, are the first in the creation of 44 live/work apartments for low-income artists and over 14,000 square feet of new commercial space.
- The Redevelopment Authority will work to secure funding for the African-American Museum in North Brentwood, estimated at \$20 million.
- The Redevelopment Authority implements the Anacostia Trails Heritage Area (ATHA), the first such historical distinction for Prince George's County. The ATHA is part of a State program encouraging economic development through tourism.

CAPITAL IMPROVEMENT PROGRAM

- The completion of the Bunker Hill Fire Station is anticipated for April 2003. This new structure will consolidate the existing fire stations at Brentwood, Cottage City/Colmar Manor, and Mount Ranier. Other fire stations to be renovated during FY2004 include the Baden Fire Station and the Capitol Heights Volunteer Fire Station.
- The County continues to implement its aggressive school building plan. Nine schools were opened during FY2003 and three additional schools will be completed during FY2004.
- The Proposed Capital Budget also contains funds for school renovations, systems replacements and classroom addition projects.
- The County will construct a new state-of-the-art Animal Management Facility that will include general population and quarantine animal holding areas, a reception and administration area, community room, veterinary treatment rooms, and a spay/neuter clinic.
- The County will begin a \$22 million renovation of the Duvall Wing of the Prince George's County Courthouse. Also, the State will participate in the funding of a \$22 million 70,000 square foot addition to the Marbury Wing of the courthouse.
- The renovations to the Oxon Hill Library are expected to be completed during FY2004. Renovations include space for the special Sojourner Truth Room collection and will provide additional conference and lecture facilities. The construction of the new Accokeek Library is also expected to be completed during FY2004.

- The County will increase its road resurfacing and sidewalk improvement projects by \$5 million in FY2004 for a total of \$12.3 million.

FISCAL AND SERVICE POLICIES

A number of County policies provide the context for planning and developing the budget in any given year. Fiscal policies address the acquisition and general allocation of resources: revenue sources, fund balance, forecasting procedures, etc. Service policies focus on what is done with those resources and how it is accomplished – spending priorities, service quality, and the like. Fiscal and service policies address both long-term concerns and the key issues that frame the task at hand: preparing a balanced budget that effectively achieves County priorities within the context of current and expected economic – and political – realities.

FISCAL POLICIES

1. **Keep the County in a Strong Financial Condition.** County programs and business units must operate at an AAA bonded standard. Sound cash management, financial management and service management of the County must be maintained. Fiscal year budgets must be closed with a balanced or surplus status. Policies necessary for the County to maintain a healthy balance sheet and to maximize cash management strategies must be developed.
2. **Maintain Sound Cash Management.**
 - **Maintain a Contingency Reserve.** A Charter amendment adopted by the voters in November 2002 requires that the County maintain a contingency reserve for the General Fund to be used as a possible source of funding in the event the County Council enacts emergency appropriations in response to unforeseen events. The reserve requirement is 5% of the General Fund budget. The County expects to maintain the required balance in the contingency reserve of \$87.4 million in FY2003 and \$89.8 million in FY2004.¹
 - **Retain a General Fund Operating Reserve.** To ensure a reasonable degree of stability in its programs over the long run, the County must have the budgetary flexibility to deal with events that can create instability such as economic fluctuations, State and Federal policy changes, and varying service needs. County policy is to retain an operating reserve equal to at least 2% of the General Fund budget. This reserve is a continuing and non-lapsing source of unappropriated funds that can be used to offset the impact of budget exigencies or as a funding source for expenditures that the County Executive and County Council determine would benefit the citizens of Prince George's County. The FY2004 operating reserve will be \$35.9 million. Combining the contingency and operating reserves, the County will set aside \$125.7 million in FY2004.
 - **Maintain Fund Balance Reserves in Other Funds.** A number of important government functions are financed through funds other than the County's General Fund, most notably the County's enterprise funds, internal service funds, and special revenue funds. (These fund types are described more fully in the Budget Guide section of this document.) Although these funds are designed to be self-sustaining, they must contend with certain special factors that threaten their financial stability: they are much smaller than the General Fund; they support specific, limited services; and they tend to rely on a narrower and less diverse set of revenue sources. The Stormwater Management Enterprise Fund, for instance, receives over 85% of its monies from an ad valorem property tax, making this fund extremely vulnerable to fluctuations in that single revenue source. To minimize fiscal volatility in these funds, County policy calls for maintaining reserve levels in each fund group that will not exceed 5-10% in all internal service funds and 25% in all enterprise funds. The County will also strive to maintain a positive fund balance in all special revenue funds.

¹ Figures based on the FY2004 Proposed General Fund total assume an additional \$4,304,200 in revenue estimated from a proposed income tax increase (from 3.10% to 3.20%) starting January 1, 2004 as proposed by the County Executive.

- **Keep Debt Levels Low.** The County's statutory debt limit under the Annotated Code of Maryland calls for net direct debt of no more than 6% of the assessable base and the County policy is to limit this debt to 3%. County policy also requires that the ratio of debt service to General Fund expenditures not exceed 8%. Prince George's County remains well below its self-imposed and statutory limits. In FY2002, the ratio of net direct debt to assessed value was 1.2% based on full market value, and debt service payment as a percentage of General Fund expenditures was 3.9%. Both ratios represent a decrease from the previous year. The anticipated bond sales in FY2003 and FY2004 will be conducted in accordance with the County's debt policies.
- **Restructure Debt.** Develop a responsive debt management program and level out the curve of outstanding debt in order to maximize the efficient use of County financial resources. The County will use fixed and variable rate debt in the context of restructuring debt where short and long-term benefits to the County are likely. The debt retirement structure will be arranged to help meet targets.

3. Maintain Sound Financial Management.

- **Use Conservative Assumptions in Forecasting Revenue Growth.** The fiscal integrity of a government is heavily dependent on the extent to which actual revenues meet or exceed budgeted amounts. It is, therefore, essential that conservative assumptions be used in forecasting revenues.
- **Respond Prudently to Revenue Growth.** Updated revenue estimates indicate that revenue growth has slowed down in FY2003, due to the nation's economic downturn. The slowdown of revenue growth is projected to continue in FY2004, given the uncertainties on economic growth and potential reductions in State aid to the County. The Governor's budget proposal already includes significant reductions of State aid to the County, including Highway User Revenues and the Income Disparity Grant. Highway User Revenues will decrease by \$6.5 million. The Income Disparity Grant is expected to drop from \$14.7 million in FY2003 to \$7 million in FY2004.
- **Rely on Continuing Revenue Sources.** Over the long run, a local government's fiscal health is greatly dependent on its ability to pay for current expenses with current revenues. Recurring expenditures should be funded from a stable stream of income, such as taxes, service charges and intergovernmental revenues, with little or no reliance on one-time sources. The FY2004 budget contains \$9.2 million from one-time sources, including a telecommunications tax reserve designated for the Board of Education, a reserve set aside for pension costs, a transfer from the Property Management Special Reserve Fund and the use of fund balance. The sum of these non-recurring monies represents only 0.5% of the County's operating budget, and these funds will be allocated primarily to non-recurring expenditure items including payment for the unfunded pension liabilities.
- **Allocate Revenues in Keeping with County Priorities.** Excluding one-time revenues and outside revenues for educational agencies, County-source revenues in FY2004 are projected to increase by 3.3% from the FY2003 budget. At a time when revenues are growing slowly, and at a time when the County is precluded from raising most tax and fee rates without voter approval, it is imperative that the County carefully target those revenues it does have. Resource allocation will continue to focus on long-standing priorities – educational improvements, school infrastructure upgrades, and public safety, but also with greater emphasis on community services, especially health care, road and other infrastructure repairs, and economic development. This has to be carried out while satisfying legal obligations such as paying debt service and maintaining the 5% Charter-mandated contingency reserve. In addition, the County has established a 2% operating reserve in addition to the contingency reserve as a policy to provide budgetary flexibility against uncertainties and protect the County's bond rating.
- **Budget for Long-Term Liabilities.** Responsible financial management means looking beyond the next fiscal year to potential liabilities that can impact the County in the out-years. Capital spending (and the operating impacts of capital projects), leave payouts, pension plans, risk management, and environmental mandates are just a few of the long-term costs that need to be addressed. It is essential to plan for such potential liabilities early and allocate resources accordingly to ensure that current County budgetary

policies and actions – or inaction—do not lead to unexpected financial burdens that could require drastic remedies in the years to come.

- **Risk Management.** The County's risk management strategy includes maintaining a level of reserve funding consistent with accepted levels of funding confidence. Our Risk Management Oversight Committee will continue working to tie the County's day to day operations with broader policy objectives.
- **Increased Pension Costs.** The assets in the County's pension funds are growing more slowly than forecast in actuarial studies. Prudent fiscal management requires alertness to the forces effecting changes in the pension funds so that current and future liabilities can be met.
- **Health Care Costs.** The rapid increase in health care costs is an issue that affects businesses and governments nationwide. The County will work to insure fiscal stability by continuing to balance quality service provision to County employees and residents with measures designed to control costs.

SERVICE POLICIES

Service policies describe the County's high priority issues serve as a blueprint for the targeting of resources in the FY2004 Proposed budget. The focus will be on improving education -- both instructional quality and school facilities -- in addition to a comprehensive response to public safety, economic development and the creation of livable communities.

1. Improve Public Education

Education is the County's highest priority; it plays a key role in determining the quality of life for our citizens. The County will maintain its commitment to continuing funding of the Board of Education at maintenance of effort levels or above. For school operations, the FY2004 budget will provide the Board of Education with \$1.175 billion, a \$70 million (6.4%) increase over the level approved in FY2003. Funding for the Board will constitute close to 65.4% of all General Fund spending in FY2004.

The County's commitment to education does not end in the classroom. Three new schools will open in FY2004, increasing to fifteen the number of schools built in the County within the last five years. They are Samuel P. Massie Elementary (formerly Hil-Mar Elementary), Colmar Manor Elementary, and Oxon Hill Area Elementary. We will also continue rebuilding aging infrastructure. Most County schools were constructed before 1970. Many schools need major systemic repairs such as the replacement of roofs, boilers or HVAC systems. Some schools may be in need of major structural renovation in order to reflect educational specification changes that have occurred over time. We will use the proposed increase in the new home surcharge, if approved by the County Council, to fund the necessary construction of new schools as well as major repair and renovation projects for existing schools.

2. Public Safety

Public safety is another vital aspect of the County's quality of life. It is essential that the County respond quickly and efficiently to emergencies, while also working day to day to maintain a safe community. The terrorist attacks of 2001 highlighted the need for increased emphasis on planning and preparedness as well as regional and local collaboration. We are creating a comprehensive approach to Homeland Security, coordinating the responses of all government agencies and increasing the community presence of police officers and other public safety officers.

Part of this strategy requires focusing additional resources on public safety. While the Police Department's sworn staffing level will remain at 1,420 officers in FY2004, we will work to increase public safety staffing, not just in the Police Department, but Countywide, including the Fire Department, the Office of the Sheriff, and the Department of Corrections. The County will use the newly-formed grant unit to search for Federal and State funds to augment the services provided by the County's public safety agencies

3. Economic Development

Economic Development is vital to ensure a high quality of life and the long-term viability of Prince George's County. An Economic Cluster has been created to focus government agencies on these issues. The synergies generated by sharing ideas and resources will develop a unified policy for economic development and expansion. Many government agencies will rework and streamline policies, smoothing the way for economic development. For example, the Department of Environmental Resources will reform its permitting division, automating the process to make certain that cumbersome procedures do not discourage development.

In addition, Urban Revitalization Projects will focus on increasing the number of homes redeveloped in existing communities. Revitalizing our older communities is essential to growing the economic base of the County, bringing in new development and creating opportunities for citizens. Also essential to expanding the economic base is a focus on transit-oriented development. The County will work with the Washington Metropolitan Area Mass Transit Authority (WMATA) on the expansion of the Blue and Green lines further into central and southern Prince George's County, and the creation of the Purple line to serve the northern corridor.

4. Livable Communities

It is the Administration's goal to promote livable communities by bringing together government, business, community leaders and faith-based organizations to serve on our Livable Communities Taskforce. We will make communities more aesthetically pleasing through road repairs, litter pick-up, and code enforcement. The FY2004 Proposed budget includes additional funds for the Department of Public Works to focus on the cleanliness of our residential areas, and for the Department of Environmental Resources to step-up enforcement of codes designed to preserve the visual integrity of our County.

The picture of livable communities is not complete, however, unless Prince George's County addresses the health and well being of *all* its citizens. Healthcare is an important example. We will promote health clinic expansion to provide preventative screenings and primary healthcare for the 90,000 uninsured County residents. Quality health care is a prerequisite for a healthy community, and no one should forgo basic health maintenance because of a lack of insurance coverage.

5. Maintaining the County's Infrastructure and Constructing Needed Capital Facilities

An important County objective is to ensure that its large infrastructure investment is preserved. This means that sufficient funding must be allocated to maintain public building, i.e., libraries, police and fire stations, health center, schools and roads in the County. By resurfacing roads, restoring worn curbs and sidewalks and replacing building systems that have reached the end of their useful life, the County can maintain its attractiveness and functionality. While often a complete building renovation can restore a facility so that it can serve its original purpose, at other times a building is so outdated that a complete replacement is needed. This type of capital improvement is also included in the County's capital program, e.g. fire stations, an animal management facility, and schools.

Another County goal is to ensure there are sufficient facilities to provide the services needed for its current population and for projected population growth. This is especially so as regards the need to provide sufficient seating capacity to accommodate current and anticipated student enrollments.

It is the County's objective to accomplish these goals while remaining within its fiscal guidelines.

REVENUE SUMMARY

	FY2002 ACTUAL	FY2003 APPROVED	FY2003 ESTIMATED	FY2004 PROPOSED	CHANGE FY2003-FY2004
TAXES					
Real Property	\$ 359,438,809	\$ 369,765,700	\$ 373,456,900	\$ 385,006,400	4.1%
Personal Property:					
Unincorporated Businesses	\$ 1,349,936	\$ 1,285,200	\$ 1,285,200	\$ 1,265,200	-1.6%
Rails and Public Utilities	29,279,326	28,778,900	29,069,200	27,965,200	-2.8%
Incorporated Businesses	37,549,874	40,125,100	38,165,600	38,481,900	-4.1%
Subtotal Personal Property	\$ 68,179,136	\$ 70,189,200	\$ 68,520,000	\$ 67,712,300	-3.5%
Total Property	\$ 427,617,945	\$ 439,954,900	\$ 441,976,900	\$ 452,718,700	2.9%
Income Tax Receipts	\$ 319,780,785	\$ 325,048,900	\$ 324,806,100	\$ 337,880,100	3.9%
State Income Disparity Grant	6,879,315	14,753,100	14,753,100	5,834,500	-60.5%
Subtotal Income	\$ 326,660,100	\$ 339,802,000	\$ 339,559,200	\$ 343,714,600	1.2%
Transfer	\$ 58,815,860	\$ 55,041,200	\$ 66,792,000	\$ 63,452,400	15.3%
Recordation	21,244,355	19,510,000	24,081,500	22,877,400	17.3%
Subtotal Transfer and Recordation	\$ 80,060,215	\$ 74,551,200	\$ 90,873,500	\$ 86,329,800	15.8%
Other Local Taxes:					
Energy	\$ 42,919,718	\$ 43,733,000	\$ 43,733,000	\$ 43,733,000	0.0%
Telecommunications		19,095,000	27,500,000	34,200,000	79.1%
Admissions and Amusements	10,717,723	10,173,700	10,173,700	10,478,900	3.0%
Hotel-Motel	4,113,232	4,331,500	4,331,500	4,461,400	3.0%
Penalties & Interest on Property Taxes	3,416,505	2,916,900	3,314,000	3,366,500	15.4%
Trailer Camp	46,347	40,000	43,000	44,300	10.8%
Subtotal Other Local Taxes	\$ 61,213,525	\$ 80,290,100	\$ 89,095,200	\$ 96,284,100	19.9%
State Shared Taxes:					
Highway User Revenues	\$ 24,506,818	\$ 23,825,600	\$ 23,825,600	\$ 17,400,000	-27.0%
Transfer Taxes on Corporate Assets	147,819	25,000	25,000	25,000	0.0%
Security Interest Filing Fees	3,060	0	0	0	0.0%
Subtotal State Shared Taxes	\$ 24,657,697	\$ 23,850,600	\$ 23,850,600	\$ 17,425,000	-26.9%
TOTAL TAXES	\$ 920,209,482	\$ 958,448,800	\$ 985,355,400	\$ 996,472,200	4.0%

	FY2002 ACTUAL	FY2003 APPROVED	FY2003 ESTIMATED	FY2004 PROPOSED	CHANGE FY2003-FY2004
LICENSES & PERMITS					
Building and Grading Permits	\$ 5,581,956	\$ 6,150,200	\$ 5,582,000	\$ 5,693,600	-7.4%
Street Use Permits	3,315,434	2,432,700	2,715,000	2,850,800	17.2%
Business Licenses	4,104,619	4,000,400	3,800,400	4,000,400	0.0%
Liquor Licenses	960,074	921,600	921,600	921,600	0.0%
Animal Licenses	137,788	175,100	155,100	160,000	-8.6%
Health Permits	1,275,028	1,330,700	1,250,000	1,287,500	-3.2%
Other Licenses	994,292	750,000	750,000	750,000	0.0%
TOTAL LICENSES & PERMITS	\$ 16,369,191	\$ 15,760,700	\$ 15,174,100	\$ 15,663,900	-0.6%
USE OF MONEY AND PROPERTY					
Property Rental	\$ 959,408	\$ 1,236,000	\$ 1,036,000	\$ 1,118,900	-9.5%
Interest Income	14,857,240	12,600,000	7,710,900	7,930,900	-37.1%
Commission and Charges	646,771	780,000	672,600	706,300	-9.4%
Discounts Earned	232,112	20,000	20,000	20,000	0.0%
TOTAL USE OF MONEY & PROPERTY	\$ 16,695,531	\$ 14,636,000	\$ 9,439,500	\$ 9,776,100	-33.2%
CHARGES FOR SERVICES					
Corrections Charges	\$ 3,312,831	\$ 2,510,400	\$ 3,523,900	\$ 3,645,100	45.2%
Tax Collection Charges	559,021	421,000	521,000	531,400	26.2%
Animal Control Charges	78,165	82,400	82,400	84,000	1.9%
Sheriff Charges	2,327,811	2,472,000	2,373,100	2,444,300	-1.1%
Health Fees	822,334	850,000	850,000	867,000	2.0%
Cable Franchise	5,058,436	4,926,000	5,174,900	5,330,100	8.2%
Local 911 Fee	5,233,697	3,409,000	4,181,300	4,306,700	26.3%
Other Service Charges	4,795,207	4,326,000	4,595,200	4,779,000	10.5%
TOTAL CHARGES FOR SERVICES	\$ 22,187,502	\$ 18,996,800	\$ 21,301,800	\$ 21,987,600	15.7%
INTERGOVERNMENTAL REVENUES					
State					
Circuit Court Reimbursements	\$ 1,117,950	\$ 566,500	\$ 566,500	\$ 566,500	0.0%
Electricity Deregulation Grant	7,744,806	7,744,800	7,744,800	7,744,800	100.0%
Police Aid Grant	10,711,324	10,860,000	10,860,000	10,936,000	0.7%
Local Health Grant	8,561,157	8,745,900	8,745,900	8,868,300	1.4%
Fire Grant	1,125,347	1,119,900	1,119,900	1,113,000	-0.6%
War on Drugs Grant	662,500	662,500	662,500	662,500	0.0%
Racing Grant	100,000	100,000	100,000	100,000	0.0%
Anti-Violence Grant	2,500,000	2,500,000	2,500,000	2,500,000	0.0%
DHR DSS Grant	431,876	400,000	430,000	442,000	10.5%
Public Safety Grant	1,000,000	1,000,000	1,000,000	1,000,000	0.0%
State Grants Other	62,502	0	0	0	0.0%
Subtotal	\$ 34,017,462	\$ 33,699,600	\$ 33,729,600	\$ 33,933,100	0.7%

	FY2002 ACTUAL	FY2003 APPROVED	FY2003 ESTIMATED	FY2004 PROPOSED	CHANGE FY2003-FY2004
Federal					
SCAP Grant	\$ 157,229	\$ 0	\$ 0	\$ 0	0.0%
Civil Defense Grant	78,828	67,000	67,000	67,000	0.0%
PL95-469 Fish & Wildlife Grant	191,951	257,500	257,500	257,500	0.0%
Land Management Grant	31,444	0	0	0	0.0%
FEMA DSS Grant	0	30,000	-	-	-100.0%
Subtotal	\$ 459,452	\$ 354,500	\$ 324,500	\$ 324,500	-8.5%
Local					
Other	\$ 150,000	\$ 0	\$ 0	\$ 0	0.0%
Subtotal	\$ 150,000	\$ 0	\$ 0	\$ 0	0.0%
TOTAL INTERGOVERNMENTAL REVENUES	\$ 34,626,914	\$ 34,054,100	\$ 34,054,100	\$ 34,257,600	0.6%
MISCELLANEOUS					
Fines and Forfeitures	\$ 1,455,680	\$ 2,537,600	\$ 1,042,000	\$ 1,104,500	-56.5%
Special Assessments	334,835	206,000	334,800	344,900	67.4%
Miscellaneous Sales	405,900	662,000	402,000	414,100	-37.4%
Other Miscellaneous Receipts	276,778	309,000	309,000	318,300	3.0%
TOTAL MISCELLANEOUS	\$ 2,473,193	\$ 3,714,600	\$ 2,087,800	\$ 2,181,800	-41.3%
OTHER FINANCING SOURCES					
TRANSFERS IN:					
Use of Fund Balance	0	15,000,000	15,000,000	1,000,000	-93.3%
Property Mgt. Transfer	0	1,000,000	1,000,000	1,000,000	0.0%
Reserve for Pensions	0	0	0	3,000,000	100.0%
Leave Payout	0	3,000,000	3,000,000	0	-100.0%
Telecommunications Tax Reserve	0	0	0	4,205,000	100.0%
TOTAL OTHER FINANCING SOURCES	\$ -	\$ 19,000,000	\$ 19,000,000	\$ 9,205,000	-51.6%
TOTAL COUNTY SOURCES	\$ 1,012,561,813	\$ 1,064,611,000	\$ 1,086,412,700	\$ 1,089,544,200	2.3%
OUTSIDE SOURCES:					
Board of Education	\$ 545,334,570	\$ 607,386,100	\$ 607,386,100	\$ 653,538,100	7.6%
Community College	44,445,308	47,391,500	47,391,500	47,391,500	0.0%
Library	6,037,777	6,383,100	6,383,100	6,367,100	-0.3%
TOTAL OUTSIDE SOURCES	\$ 595,817,655	\$ 661,160,700	\$ 661,160,700	\$ 707,296,700	7.0%
GRAND TOTAL GENERAL FUND	\$ 1,608,379,468	\$ 1,725,771,700	\$ 1,747,573,400	\$ 1,796,840,900	4.1%

Note: The General Fund totals include \$4,304,200 estimated from Income Tax rate increase in FY2004 (from 3.10% to 3.20%).
The tax increase, planned to start from Jan. 1 2004, is proposed by the County Executive pending on the approval of the County Council.

	FY2002 ACTUAL	FY2003 APPROVED	FY2003 ESTIMATED	FY2004 PROPOSED	CHANGE FY2003-FY2004
INTERNAL SERVICE FUNDS					
Fleet Management	8,498,059	8,659,000	8,466,400	9,083,200	4.9%
Information Technology	18,730,396	23,215,400	18,837,900	21,219,400	-8.6%
TOTAL INTERNAL SERVICE FUNDS	\$ 27,228,455	\$ 31,874,400	\$ 27,304,300	\$ 30,302,600	-4.9%
ENTERPRISE FUNDS					
Stormwater Management	24,708,033	25,630,400	26,003,500	26,254,600	2.4%
Solid Waste	72,310,100	80,928,600	84,948,000	76,943,200	-4.9%
TOTAL ENTERPRISE FUNDS	\$ 97,018,133	\$ 106,559,000	\$ 110,951,500	\$ 103,197,800	-3.2%
SPECIAL REVENUE FUNDS					
Debt Service	75,856,281	78,643,600	76,757,500	84,407,700	7.3%
Drug Enforcement & Education	1,453,752	1,286,800	1,286,800	1,182,200	-8.1%
Collington Center	675,000	8,000	638,000	8,000	0.0%
Property Management & Services	68,777	1,266,600	1,106,100	1,266,600	0.0%
Domestic Violence	321,395	319,400	319,400	319,400	0.0%
Industrial Development Authority	15,483	20,000	20,000	23,000	15.0%
TOTAL SPECIAL REVENUE FUNDS	\$ 78,390,688	\$ 81,544,400	\$ 80,127,800	\$ 87,206,900	6.9%
GRANT PROGRAM FUNDS	\$ 134,585,757	\$ 143,866,700	\$ 145,645,100	\$ 142,843,300	-0.7%
GRAND TOTAL ALL FUNDS	\$ 1,945,602,501	\$ 2,089,616,200	\$ 2,111,602,100	\$ 2,160,391,500	3.4%

EDUCATION REVENUE DETAIL

	FY2002 Actual	FY2003 Budget	FY2003 Estimate	FY2004 Proposed	% Change From Current Budget
BOARD OF EDUCATION					
Unrestricted Federal Aid	\$ 4,121,709	\$ 5,362,000	\$ 5,362,000	\$ 5,372,000	0.2%
Restricted Aid - All Sources	69,356,614	85,621,180	85,621,180	70,332,294	-17.9%
Board Sources	12,026,564	9,667,906	9,667,906	11,262,532	16.5%
State Aid					
Current Expense Aid	\$ 321,566,251	\$ 356,871,910	\$ 356,871,910	\$ 385,172,003	7.9%
Handicapped Aid	37,601,381	36,301,405	36,301,405	43,134,993	18.8%
Transportation Aid	21,206,643	21,999,347	21,999,347	25,011,519	13.7%
Transition/Compensatory	0	22,527,200	22,527,200	84,540,641	275.3%
Magnet/New Designation	14,100,000	14,100,000	14,100,000	-	-100.0%
Limited English Proficiency	8,293,500	9,297,200	9,297,200	10,790,122	16.1%
Other State Aid	57,061,908	45,637,952	45,637,952	17,921,996	-60.7%
	\$ 459,829,683	\$ 506,735,014	\$ 506,735,014	\$ 566,571,274	11.8%
Subtotal Outside Aid	\$ 545,334,570	\$ 607,386,100	\$ 607,386,100	\$ 653,538,100	7.6%
General County Sources	\$ 367,108,036	\$ 379,198,300	\$ 379,198,300	380,040,100	0.2%
Telephone Tax	0	19,000,000	23,200,000	34,028,100	79.1%
Energy Tax	42,919,718	43,733,000	43,733,000	43,733,000	0.0%
Transfer Tax	58,815,860	55,041,200	55,041,200	63,452,400	15.3%
Subtotal County Revenue	\$ 468,843,614	\$ 496,972,500	\$ 501,172,500	\$ 521,253,600	4.9%
TOTAL	\$ 1,014,178,184	\$ 1,104,358,600	\$ 1,108,558,600	\$ 1,174,791,700	6.4%
Note: Included under "General County Sources" above is a one-time reserve of \$4,205,000, representing Telecommunications Tax revenues generated in FY2003 above the \$23.2 million allocation shown above.					
COMMUNITY COLLEGE					
County Contribution	\$ 12,416,304	\$ 13,166,300	\$ 13,166,300	\$ 13,166,300	0.0%
State Aid	18,486,415	18,758,900	18,758,900	17,913,300	-4.5%
Tuition and Fees	24,604,053	26,650,700	26,650,700	27,504,200	3.2%
Other Revenues	1,354,840	1,253,300	1,253,300	1,224,000	-2.3%
Fund Balance	0	728,600	728,600	750,000	2.9%
TOTAL	\$ 56,861,612	\$ 60,557,800	\$ 60,557,800	\$ 60,557,800	0.0%
LIBRARY					
County Contribution	\$ 13,310,000	\$ 13,810,000	\$ 13,810,000	\$ 13,810,000	0.0%
State Aid	4,916,632	5,229,300	5,229,300	5,236,100	0.1%
Interest	106,084	130,000	130,000	55,000	-57.7%
Fines	474,350	450,000	450,000	470,000	4.4%
Fees	266,398	205,000	205,000	212,000	3.4%
Miscellaneous	274,313	368,800	368,800	394,000	6.8%
TOTAL	\$ 19,347,777	\$ 20,193,100	\$ 20,193,100	\$ 20,177,100	-0.1%

APPROPRIATION SUMMARY

FUNCTION/AGENCY	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED	CHANGE FY2003-FY2004
GENERAL GOVERNMENT					
County Executive	\$ 3,958,735	\$ 4,402,000	\$ 3,964,600	\$ 4,363,100	-0.9%
County Council	6,686,646	7,257,900	7,217,700	7,594,700	4.6%
Human Relations Commission	678,165	615,200	606,400	635,200	3.3%
Personnel Board	174,887	200,800	193,700	196,700	-2.0%
Citizen Complaint Oversight Panel	175,068	211,400	197,700	211,400	0.0%
People's Zoning Counsel	(399)	0	0	0	
Office of Finance	3,134,587	3,398,200	3,218,500	3,304,900	-2.7%
Office of Community Relations	1,219,107	1,313,800	1,289,200	1,583,000	20.5%
Office of Management and Budget	1,533,573	1,664,600	1,659,100	1,906,500	14.5%
Board of License Commissioners	831,980	989,900	918,400	989,300	-0.1%
Office of Law	2,716,698	3,252,700	3,098,800	3,251,800	0.0%
Office of Personnel and Labor Relations	3,517,159	3,572,800	3,566,900	3,511,500	-1.7%
Office of Info. Tech. & Communications	17,312,777	19,266,100	15,357,200	18,132,900	-5.9%
Board of Elections	1,459,562	2,259,500	2,627,200	1,726,900	-23.6%
Office of Central Services	10,940,082	12,036,300	11,905,400	11,979,400	-0.5%
SUBTOTAL	\$ 54,338,627	\$ 60,441,200	\$ 55,820,800	\$ 59,387,300	-1.7%
CRIMINAL/CIVIL JUSTICE					
Circuit Court	\$ 10,199,233	\$ 10,766,200	\$ 10,411,400	\$ 10,610,500	-1.4%
Orphans' Court	264,891	283,500	282,100	303,900	7.2%
Office of the State's Attorney	10,183,060	10,861,400	10,770,700	10,496,400	-3.4%
Office of the Sheriff	18,049,111	17,152,400	18,826,900	17,523,900	2.2%
Department of Corrections	40,464,321	41,665,900	44,574,300	42,227,200	1.3%
SUBTOTAL	\$ 79,160,616	\$ 80,729,400	\$ 84,865,400	\$ 81,161,900	0.5%
PUBLIC SAFETY					
Police Department	\$ 137,039,121	\$ 145,367,200	\$ 147,941,900	\$ 148,492,600	2.2%
Fire/EMS Department	68,274,224	71,676,700	74,808,400	74,214,900	3.5%
Volunteer Fire Companies	9,898,785	9,972,200	10,277,900	9,972,200	0.0%
SUBTOTAL	\$ 215,212,130	\$ 227,016,100	\$ 233,028,200	\$ 232,679,700	2.5%
PUBLIC WORKS & ENVIRONMENTAL RESOURCES					
Public Works & Transportation	\$ 11,300,561	\$ 10,981,800	\$ 13,231,900	\$ 11,209,100	2.1%
Department of Environmental Resources	8,461,637	8,984,700	8,873,300	8,856,600	-1.4%
Soil Conservation District	0	0	0	0	
SUBTOTAL	\$ 19,762,198	\$ 19,966,500	\$ 22,105,200	\$ 20,065,700	0.5%
EDUCATION AND LIBRARY					
Community College	\$ 54,064,502	\$ 60,557,800	\$ 60,557,800	\$ 60,557,800	0.0%
Memorial Library	19,789,372	20,193,100	20,193,100	20,177,100	-0.1%
Board of Education	1,031,377,382	1,104,358,600	1,108,558,600	1,174,791,700	6.4%
SUBTOTAL	\$ 1,105,231,256	\$ 1,185,109,500	\$ 1,189,309,500	\$ 1,255,526,600	5.9%

FUNCTION/AGENCY	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED	CHANGE FY2003-FY2004
HUMAN SERVICES					
Department of Family Services	\$ 2,160,599	\$ 2,244,000	\$ 2,199,800	\$ 2,140,200	-4.6%
Department of Social Services	1,409,844	1,685,900	1,685,000	1,848,300	9.6%
Health Department	19,402,788	21,372,600	21,496,700	21,066,700	-1.4%
Housing & Community Development	1,503,866	1,281,700	1,259,900	1,143,600	-10.8%
SUBTOTAL	\$ 24,477,097	\$ 26,584,200	\$ 26,641,400	\$ 26,198,800	-1.4%
NON-DEPARTMENTAL					
Debt Service	\$ 62,182,160	\$ 67,886,000	\$ 66,924,200	\$ 72,001,300	6.1%
Grants & Transfers	4,186,487	11,985,500	10,713,500	4,221,500	-64.8%
Other	48,491,520	43,008,300	51,676,900	39,916,100	-7.2%
Contingency	1,126,138	3,045,000	1,000,000	5,682,000	86.6%
SUBTOTAL	\$ 115,986,305	\$ 125,924,800	\$ 130,314,600	\$ 121,820,900	-3.3%
GRAND TOTAL, GENERAL FUND	\$ 1,614,168,229	\$ 1,725,771,700	\$ 1,742,085,100	\$ 1,796,840,900	4.1%
INTERNAL SERVICE FUNDS					
Fleet Management	\$ 7,114,055	\$ 8,659,000	\$ 8,466,400	\$ 9,083,200	4.9%
Information Technology	14,988,255	23,215,400	19,661,000	21,219,400	-8.6%
TOTAL INTERNAL SERVICE FUNDS	\$ 22,102,310	\$ 31,874,400	\$ 28,127,400	\$ 30,302,600	-4.9%
ENTERPRISE FUNDS					
Stormwater Management	\$ 23,349,672	\$ 25,630,400	\$ 25,191,500	\$ 26,254,600	2.4%
Solid Waste	65,688,250	80,928,600	84,948,000	76,943,200	-4.9%
TOTAL ENTERPRISE FUNDS	\$ 89,017,922	\$ 106,559,000	\$ 110,139,500	\$ 103,197,800	-3.2%
SPECIAL REVENUE FUNDS					
Debt Service	\$ 75,856,281	\$ 78,643,600	\$ 76,757,500	\$ 84,407,700	7.3%
Drug Enforcement & Education	551,331	1,286,800	1,286,800	1,182,200	-8.1%
Collington Center	1,573,100	8,000	638,000	8,000	0.0%
Property Management & Services	200,630	1,266,600	1,106,100	1,266,600	0.0%
Domestic Violence	294,370	319,400	319,400	319,400	0.0%
Industrial Development Authority	15,483	20,000	20,000	23,000	15.0%
TOTAL SPECIAL REVENUE FUNDS	\$ 78,491,195	\$ 81,544,400	\$ 80,127,800	\$ 87,206,900	6.9%
GRANT PROGRAMS FUND	\$ 134,585,757	\$ 143,866,700	\$ 145,645,100	\$ 142,843,300	-0.7%
TOTAL ALL FUNDS	\$ 1,938,365,413	\$ 2,089,616,200	\$ 2,106,124,900	\$ 2,160,391,500	3.4%

Note: In FY2002, the Board of Education generated \$1.014 billion in revenue. However, the Board expensed \$1.031 billion. The Board is taking action in FY2003 to deliberately have expenditures fall short of revenues in order to compensate for the FY2002 overexpenditure. To assist the Board, the County Executive intends to present to the County Council legislation providing a \$4.2 million supplementary appropriation to the Board in FY2003. The source of funding for the supplementary appropriation is telecommunications tax revenues generated above budgeted levels in FY2003.

Note: The FY2004 Proposed Budget includes \$4,304,200 in anticipated revenue from an increase in the County's income tax rate. The proposed upward adjustment is from 3.1% to 3.2%, the maximum rate allowable under State law. This proposed tax rate increase is subject to County Council approval. If the Council does not approve the income tax rate increase, \$4,304,200 will be eliminated from the Non-Departmental category of expenditure.

CONSOLIDATED FUND SUMMARY

FUNCTION/AGENCY	GENERAL FUND	INTERNAL SERVICE FUNDS	SPECIAL REVENUE FUNDS	ENTERPRISE FUNDS	TRUST FUNDS	GRANT FUNDS	TOTAL ALL FUNDS
GENERAL GOVERNMENT							
County Executive	\$ 4,363,100						\$ 4,363,100
County Council	7,594,700						7,594,700
Human Relations Commission	635,200					471,000	1,106,200
Personnel Board	196,700						196,700
Citizen Complaint Oversight Panel	211,400						211,400
People's Zoning Counsel	0						0
Office of Finance	3,304,900						3,304,900
Office of Community Relations	1,583,000						1,583,000
Office of Management and Budget	1,906,500						1,906,500
Board of License Commissioners	989,300						989,300
Office of Law	3,251,800						3,251,800
Office of Personnel and Labor Relations	3,511,500					332,900	3,844,400
Office of Info. Tech. & Communications	18,132,900	21,219,400					39,352,300
Board of Elections	1,726,900						1,726,900
Office of Central Services	11,979,400	9,083,200	1,274,600				22,337,200
SUBTOTAL	\$ 59,387,300	\$ 30,302,600	\$ 1,274,600	\$ 0	\$ 0	\$ 803,900	\$ 91,768,400
CRIMINAL/CIVIL JUSTICE							
Circuit Court	\$ 10,610,500					\$ 1,919,800	\$ 12,530,300
Orphans' Court	303,900						303,900
Office of the State's Attorney	10,496,400					424,900	10,921,300
Office of the Sheriff	17,523,900					1,027,200	18,551,100
Department of Corrections	42,227,200					470,900	42,698,100
SUBTOTAL	\$ 81,161,900	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,842,800	\$ 85,004,700
PUBLIC SAFETY							
Police Department	\$ 148,492,600		\$ 1,182,200			\$ 4,243,400	\$ 153,918,200
Fire/EMS Department	74,214,900						74,214,900
Volunteer Fire Companies	9,972,200						9,972,200
SUBTOTAL	\$ 232,679,700	\$ 0	\$ 1,182,200	\$ 0	\$ 0	\$ 4,243,400	\$ 238,105,300
PUBLIC WORKS & ENVIRONMENTAL RESOURCES							
Public Works & Transportation	\$ 11,209,100			\$ 8,524,400		\$ 269,200	\$ 20,002,700
Department of Environmental Resources	8,856,600			94,673,400		1,054,200	104,584,200
Soil Conservation District	0						0
SUBTOTAL	\$ 20,065,700	\$ 0	\$ 0	\$ 103,197,800	\$ 0	\$ 1,323,400	\$ 124,586,900
EDUCATION AND LIBRARY							
Community College	\$ 60,557,800						\$ 60,557,800
Memorial Library	20,177,100						20,177,100
Board of Education	1,174,791,700						1,174,791,700
SUBTOTAL	\$ 1,255,526,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,255,526,600
HUMAN SERVICES							
Department of Family Services	2,140,200		319,400			18,513,100	20,972,700
Department of Social Services	1,848,300					10,194,300	12,042,600
Health Department	21,066,700					37,067,800	58,134,500
Housing & Community Development	1,143,600					65,854,600	66,998,200
SUBTOTAL	\$ 26,198,800	\$ 0	\$ 319,400	\$ 0	\$ 0	\$ 131,629,800	\$ 158,148,000
NON-DEPARTMENTAL							
Debt Service	\$ 72,001,300		\$ 84,407,700				\$ 156,409,000
Grants & Transfer	4,221,500		23,000			1,000,000	5,244,500
Other Non-Departmental	39,916,100						39,916,100
Contingency	5,682,000						5,682,000
SUBTOTAL	\$ 121,820,900	\$ 0	\$ 84,430,700	\$ 0	\$ 0	\$ 1,000,000	\$ 207,251,600
GRAND TOTAL	\$ 1,796,840,900	\$ 30,302,600	\$ 87,206,900	\$ 103,197,800	\$ 0	\$ 142,843,300	\$ 2,160,391,500

POSITION SUMMARY - FULL TIME POSITIONS

FUNCTION/AGENCY	FY2003 BUDGET ALL FUNDS	GENERAL FUND	ENTERPRISE FUND	INTERNAL SERVICE FUND	SPECIAL REVENUE FUND	GRANTS	FY2004 PROPOSED ALL FUNDS
GENERAL GOVERNMENT							
County Executive	43	48					48
County Council	87	89					89
Human Relations Commission	11	10				1	11
Personnel Board	2	2					2
Citizen Complaint Oversight Panel	2	2					2
Office of Finance	73	72					72
Office of Community Relations	10	13					13
Office of Management and Budget	20	24					24
Board of License Commissioners	6	6					6
Office of Law	55	54					54
Office of Personnel and Labor Relations	56	54				1	55
Office of Info. Tech. & Communications	202	161		47			208
Board of Elections	12	13					13
Office of Central Services	239	169		70			239
SUBTOTAL	818	717	0	117	0	2	836
CRIMINAL/CIVIL JUSTICE							
Circuit Court	149	116				33	149
Orphans' Court	5	5					5
Office of the State's Attorney	136	136					136
Office of the Sheriff	250	231				15	246
Department of Corrections	539	529					529
SUBTOTAL	1,079	1,017	0	0	0	48	1,065
PUBLIC SAFETY							
Police Department	1,683	1,672					1,672
Fire/EMS Department	786	783					783
SUBTOTAL	2,469	2,455	0	0	0	0	2,455
PUBLIC WORKS & ENVIRONMENTAL RESOURCES							
Public Works & Transportation	378	281	93			3	377
Department of Environmental Resources	421	184	247				431
Soil Conservation District	9	9					9
SUBTOTAL	808	474	340	0	0	3	817
HUMAN SERVICES							
Department of Family Services	58	12				36	48
Housing & Community Development	112	11				101	112
Health Department	527	274				257	531
Department of Social Services	23	10				22	32
SUBTOTAL	720	307	0	0	0	416	723
GRAND TOTAL	5,894	4,970	340	117	0	469	5,896

BUDGETARY FUND BALANCE

	Actual June 30 FY 2002 Balance	Estimated FY 2003 Revenues	Estimated FY 2003 Expenses	Estimated June 30 FY 2003 Balance	Preliminary FY 2004 Revenues	Preliminary FY 2004 Expenses	Projected June 30 FY 2004 Balance
GENERAL FUND							
Operating Reserve	\$ 78,151,313	\$ 1,743,368,400	\$ 1,742,085,100	\$ 40,247,362	\$ 1,796,840,900	\$ 1,796,840,900	\$ 38,573,737
Contingency Reserve	47,981,169			87,168,420			89,842,045
TOTAL GENERAL FUND	\$ 126,132,482	\$ 1,743,368,400	\$ 1,742,085,100	\$ 127,415,782	\$ 1,796,840,900	\$ 1,796,840,900	\$ 126,415,782
INTERNAL SERVICE FUNDS							
Fleet Management	\$ 2,741,966	\$ 8,466,400	\$ 8,466,400	\$ 2,741,966	\$ 9,083,200	\$ 9,083,200	\$ 2,164,766
Information Technology	3,846,346	18,837,900	19,661,000	3,023,246	21,219,400	21,219,400	2,273,346
TOTAL INTERNAL SERVICE FUNDS	\$ 6,588,312	\$ 27,304,300	\$ 28,127,400	\$ 5,765,212	\$ 30,302,600	\$ 30,302,600	\$ 4,438,112
ENTERPRISE FUNDS							
Stormwater Management	\$ 7,646,912	\$ 26,003,500	\$ 25,191,500	\$ 8,458,912	\$ 26,254,600	\$ 26,254,600	\$ 8,359,212
Solid Waste	38,982,422	75,753,300	84,948,000	29,787,722	76,943,200	76,943,200	28,783,522
TOTAL ENTERPRISE FUNDS	\$ 46,629,334	\$ 101,756,800	\$ 110,139,500	\$ 38,246,634	\$ 103,197,800	\$ 103,197,800	\$ 37,142,734
SPECIAL REVENUE FUNDS							
Debt Service	\$ 0	\$ 76,757,500	\$ 76,757,500	\$ 0	\$ 84,407,700	\$ 84,407,700	\$ 0
Collington Center	191,915	630,000	638,000	183,915	8,000	8,000	175,915
Property Management Services	2,614,969	43,000	1,106,100	1,551,869	1,266,600	1,266,600	328,269
Domestic Violence	34,433	319,400	319,400	34,433	319,400	319,400	34,433
Drug Enforcement and Education	3,210,714	1,030,000	1,286,800	2,953,914	1,182,200	1,182,200	2,801,714
Industrial Development Authority	0	20,000	20,000	0	23,000	23,000	0
TOTAL SPECIAL REVENUE FUNDS	\$ 6,052,031	\$ 78,799,900	\$ 80,127,800	\$ 4,724,131	\$ 87,206,900	\$ 87,206,900	\$ 3,340,331
GRANT PROGRAM FUNDS	\$ 0	\$ 145,659,200	\$ 145,659,200	\$ 0	\$ 142,843,300	\$ 142,843,300	\$ 0
GRAND TOTAL, ALL FUNDS	\$ 185,402,159	\$ 2,096,888,600	\$ 2,106,139,000	\$ 176,151,759	\$ 2,160,391,500	\$ 2,160,391,500	\$ 171,336,959

Note - Budgeted revenues may include use of fund balance, therefore the totals may not add across.

Note - The definition of ending balance varies depending on the type of fund.

The following definitions of budgetary fund balance are used by Prince George's County:

General Fund - The Charter-mandated Contingency Reserve, plus the Designated Operating Reserve and Undesignated Fund Balance.

Internal Service Funds - The balance above represents total net assets as shown in the Consolidated Annual Financial Report (CAFR).

Enterprise Funds - The balance shown above represents an ending cash and cash equivalents balance. This balance takes into account net operating revenues and expenditures and increases based on bond proceeds, offset by capital expenditures and by funds that must be held in reserve for future obligations.

Special Revenue Funds - The balance shown above represents fund balance as shown in the CAFR.

**ASSESSABLE BASE
REAL AND PERSONAL PROPERTY**
(in millions)

Location	REAL PROPERTY 2003	PERSONAL PROPERTY 2003	TOTAL BASE 2003	REAL PROPERTY 2004	PERSONAL PROPERTY 2004	TOTAL BASE 2004
Berwyn Heights	\$ 157.03	\$ 22.66	\$ 179.69	\$ 159.03	\$ 20.51	\$ 179.54
Bladensburg	232.41	16.10	248.51	231.41	15.85	247.26
Bowie	3,280.91	65.01	3,345.92	3,431.48	67.24	3,498.72
Brentwood	99.55	4.05	103.60	100.62	3.59	104.22
Capitol Heights	159.54	8.00	167.54	160.70	9.37	170.07
Cheverly	301.14	16.40	317.54	303.01	16.31	319.32
College Park	893.31	75.91	969.22	906.28	71.26	977.54
Colmar Manor	50.68	2.29	52.97	50.82	2.96	53.79
Cottage City	52.02	2.38	54.40	52.47	2.72	55.19
District Heights	215.90	5.25	221.15	216.86	4.66	221.52
Eagle Harbor	3.78	0.05	3.83	3.91	0.04	3.95
Edmonston	78.67	4.94	83.61	79.80	4.54	84.34
Fairmount Heights	55.10	1.44	56.54	56.47	1.30	57.76
Forest Heights	103.36	2.50	105.86	104.62	2.49	107.11
Glenarden	219.95	2.32	222.27	222.32	2.13	224.45
Greenbelt	1,087.60	100.02	1,187.62	1,107.83	90.34	1,198.17
Hyattsville	592.08	72.72	664.80	597.06	72.14	669.19
Landover Hills	53.23	3.35	56.58	52.87	4.09	56.97
Laurel	1,151.60	110.43	1,262.03	1,183.19	105.99	1,289.18
Morningside	62.68	1.55	64.23	63.38	1.29	64.67
Mount Rainier	192.78	4.43	197.21	194.51	4.03	198.54
New Carrollton	406.43	10.62	417.05	409.66	10.96	420.62
North Brentwood	23.94	1.27	25.21	24.00	1.17	25.17
Riverdale Park	274.25	18.43	292.68	271.17	16.50	287.67
Seat Pleasant	164.85	5.81	170.66	165.82	5.37	171.19
University Park	182.04	1.93	183.97	184.23	1.97	186.20
Upper Marlboro	57.60	19.43	77.03	58.82	16.48	75.30
SubTotal	\$ 10,152.43	\$ 579.29	\$ 10,731.72	\$ 10,392.36	\$ 555.32	\$ 10,947.68
Unincorporated Area	\$ 29,570.16	\$ 2,498.68	\$ 32,068.84	\$ 30,848.93	\$ 2,411.95	\$ 33,260.89
TOTAL COUNTY WIDE	\$ 39,722.59	\$ 3,077.97	\$ 42,800.56	\$ 41,241.29	\$ 2,967.27	\$ 44,208.57

Source: State Department of Assessments and Taxation

Note: Starting from FY2002, real property in Maryland has been assessed at 100% of market value rather than 40% in most cases under prior law. This change was required by Maryland Senate Bill 626 in 2000.

Assessed value of personal property remain unchanged at 100% of market value.

PROPERTY TAX LIMITATION FISCAL YEAR 2004

At the 1978 general election, the voters of the County adopted an amendment to Section 817, Article VIII, of the Prince George's County Charter limiting future collections of real property taxes. The amendment, which became effective in December, 1978, added Section 817B to the Charter. It is generally referred to in the County as "TRIM" (TRIM is an acronym for "Tax Reform Initiative by Marylanders"). The amendment forbade the County Council to "levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in FY 1979," or \$143.9 million. At the 1984 general election, an amendment to TRIM was approved by the voters of the County authorizing the County Council to levy taxes on a maximum rate of \$2.40 for each \$100 of assessed value. The County passed legislation capping taxable assessment growth in FY94 and future years for owner occupied residences at the lesser of the change in the Consumer Price Index (CPI) or 5% of the prior year's taxable assessment. For FY2004 the cap is set at 1%. This limitation is a charter mandated computation passed by the voters in November, 1994, and is permitted by the Tax Property Article, Section 9-105 of the Annotated Code of Maryland.

In 2000, Maryland Senate Bill 626 provided that beginning in tax year 2001, property tax rates shall be applied to 100%, instead of 40%, of the value of real property, and that the real property tax rate be adjusted to make the impact revenue neutral. The bill also stipulated that any limit on a local real property tax rate in a local law or charter provision shall be constructed to mean a rate equal to 40% times the rate stated in the local law or charter provision. As a result, nominal real property rate of the County was adjusted to \$0.96/\$100 of assessed value in FY2002. There is no County taxing authority assigned to debt payments for pre-TRIM bonds in FY2004 because the debt is scheduled to retire by then.

Yield Calculation

	FY2004 Tax Base	FY2004 Tax Yield
REAL PROPERTY BASE JULY 1, 2003 ¹	\$41,241,293,662	
Add: New Construction Annualized for Cyclical Base Adjustments & Net of Assessment Cap	<u>206,000,000</u>	
TOTAL REAL PROPERTY BASE FY2004	\$41,447,293,662	
Nominal Real Property Tax Rate/\$100	\$0.96	
REAL PROPERTY YIELD		\$397,894,019
TOTAL PERSONAL PROPERTY BASE FY2004	\$2,967,272,810	
Nominal Personal Property Tax Rate/\$100	\$2.40	
PERSONAL PROPERTY TAX YIELD		<u>\$71,214,547</u>
TOTAL PROPERTY TAX YIELD (Unadjusted)		\$469,108,566
Less: Collection Allowance (1.0%)		(4,691,086)
Municipal Tax Differential		(10,456,744)
Adjustments		<u>(1,242,036)</u>
TOTAL GENERAL FUND PROPERTY TAX YIELD		<u>\$452,718,700</u>
Pre-TRIM Taxing Authority to Debt Service Fund		0
Pre-TRIM debt service real property tax rate ²	\$0.000	
Pre-TRIM debt service personal property tax rate ²	\$0.000	
Total County Real Property Nominal Tax Rate/\$100	\$0.96	
Total County Personal Property Nominal Tax Rate/\$100	\$2.40	

¹ Estimates based on reports from the State Department of Assessments and Taxation (as of February, 2003). Adjustments for abatements/credits and 1% cap on assessments included.

² The pre-TRIM debt service property tax rates are rounded to a tenth of a cent.

CONSTANT YIELD DATA

The County real property tax rates for municipalities and the unincorporated area of the County are detailed below, along with the constant yield tax rates as certified by the State Department of Assessments and Taxation. In accordance with Title 6, Subtitle 6-308 of the Tax-Property Article of the Annotated Code of Maryland, a rate which exceeds the constant yield rate is subject to certain advertising and public hearing requirements. Per Maryland Senate Bill 626, the real property tax rate was adjusted to reflect the conversion to full value assessments of real property, effective October 1, 2000. Starting from February, 2001, personal property has been excluded from the constant yield tax rate as reported by the State Department of Assessments and Taxation. The personal property tax rate is fixed at 2.5 times the rate on real property.

LOCATION	APPROVED 2003			PROPOSED 2004		
	CONSTANT YIELD			CONSTANT YIELD		
	TAX RATE	TAX RATE	OVER (UNDER)	TAX RATE	TAX RATE	OVER (UNDER)
Berwyn Heights	\$ 0.8190	\$ 0.8030	0.0160	\$ 0.8180	\$ 0.8100	0.0080
Bladensburg	0.8110	0.8070	0.0040	0.8080	0.8080	-
Bowie	0.9440	0.8900	0.0540	0.9450	0.9320	0.0130
Brentwood	0.9430	0.9260	0.0170	0.9390	0.9320	0.0070
Capitol Heights	0.8450	0.8450	-	0.8310	0.8380	(0.0070)
Cheverly	0.8250	0.8180	0.0070	0.8250	0.8180	0.0070
College Park	0.9440	0.9110	0.0330	0.9440	0.9330	0.0110
Colmar Manor	0.9410	0.9230	0.0180	0.9420	0.9400	0.0020
Cottage City	0.8320	0.8280	0.0040	0.8310	0.8280	0.0030
District Heights	0.8220	0.8140	0.0080	0.8220	0.8180	0.0040
Eagle Harbor	0.9570	0.9260	0.0310	0.9540	0.9410	0.0130
Edmonston	0.8240	0.8150	0.0090	0.8240	0.8150	0.0090
Fairmount Heights	0.9250	0.9190	0.0060	0.8840	0.9130	(0.0290)
Forest Heights	0.8790	0.8620	0.0170	0.8770	0.8690	0.0080
Glenarden	0.8370	0.8210	0.0160	0.8390	0.8350	0.0040
Greenbelt	0.8090	0.7980	0.0110	0.8040	0.8000	0.0040
Hyattsville	0.8110	0.8010	0.0100	0.8090	0.8030	0.0060
Landover Hills	0.8170	0.8130	0.0040	0.8150	0.8150	-
Laurel	0.7940	0.7840	0.0100	0.7850	0.7910	(0.0060)
Morningside	0.8340	0.8380	(0.0040)	0.8330	0.8250	0.0080
Mount Rainier	0.8140	0.7930	0.0210	0.8110	0.8030	0.0080
New Carrollton	0.9460	0.9310	0.0150	0.9470	0.9380	0.0090
North Brentwood	0.9500	0.9350	0.0150	0.9480	0.9430	0.0050
Riverdale Park	0.8090	0.7990	0.0100	0.8070	0.8190	(0.0120)
Seat Pleasant	0.8220	0.8190	0.0030	0.8210	0.8190	0.0020
University Park	0.8220	0.8030	0.0190	0.8210	0.8120	0.0090
Upper Marlboro	0.8870	0.8800	0.0070	0.8830	0.8730	0.0100
Unincorporated Area	0.9620	0.9500	0.0120	0.9600	0.9480	0.0120